



Industry news from the Department of Motor Vehicles  
Vol. 14 - No. 1

## Major revisions in commercial registration

DMV will be implementing a sweeping revision of commercial vehicle registration procedures on December 31, 2001.

The law passed September 29, 2000, changes the way DMV registers commercial vehicles and trailers. Certain commercial motor vehicles must be registered by gross operating weight.

The new law, known as the Commercial Vehicle Registration Act (CVRA) of 2001, converts trailers (except trailer coaches and park trailers) to a Permanent Trailer Identification (PTI) program. It also requires California-registered, commercial motor vehicles (except pick-up trucks) and IRP power units operating at a declared gross weight of 10,001 or more pounds to pay fees based on a CVRA Weight Range Schedule.

Revenue formerly paid through trailer registration will be collected from the registration of commercial motor vehicles. Trailers with current California registration will be converted to the PTI program for a fee of \$20. Owners may choose to retain their existing plate or request a new PTI plate. Owners will also

*See commercial, page 3*

## 245 Changes to Vehicle Code

During the 2000 legislative session, more than 2,080 new bill proposals were introduced, with 1,454 bills sent to Governor Gray Davis for final disposition. Of those proposals, 1,092 were eventually signed into law, including more than 245 changes to the Vehicle Code. (In the 1999 legislative session, more than 1,030 proposals became new laws, with more than 175 changes to the Vehicle Code.)

Many laws took effect January 1. Some were, however, urgency measures that took effect immediately, or laws that specifically postponed action until a later date. Many of the programs that will impact the DMV are under development. A description of some key laws affecting the motor vehicle industry follows.

A sweeping **revision of commercial vehicle registration procedures takes effect December 31, 2001**. The Commercial Vehicle Registration Act (CVRA) of 2001 converts trailers (except trailer coaches and park trailers) to a Permanent Trailer Identification (PTI) system. It also requires International Registration Plan and California registered commercial motor vehicles (except pick-up trucks) operating at a declared gross weight of 10,001 or more pounds to pay fees based on a CVRA Weight Range Schedule.

Revenue formerly paid through trailer registration will be collected from the registration of commercial motor vehicles. Trailers will be issued a PTI plate and identification card for original registrations on or after December 31. Those with current California registration will be converted to the PTI program, and owners may choose to retain their existing plate or request a new PTI plate. PTI identification is subject to a five-year renewal cycle. (See accompanying story, this issue, for more details.)

A law that **took effect June 8, 2000**, authorizes the department to refund smog impact fees with interest paid between 1990 and 1999. The law also created the Smog Impact Fee Refund Account in the State Transportation Fund. The law repeals provisions imposing smog impact fees on vehicles previously registered out-of-state. It also provides funds for issuing the smog impact fee refunds.

A law impacting **driving schools and traffic violator schools** raises the bond for **driving school owners** from \$2,000 to \$10,000 and allows DMV to immediately suspend schools that violate laws and regulations. The law was passed to protect the public, because every year several driving schools go out of business after having collected tuition from customers, but before delivering the training. This had resulted in some students losing some or all of the average \$200 in fees they pay in advance. The former bond of \$2,000 was only enough to refund the money of about 10 students per school. (Thirty-six driving schools went out of business in 2000.)

*See new laws, page 2*

# New laws: Impact advertising, expand 'lemon law'

*Continued from page one*

The law also requires:

**Driving school operators** to be at least 21 years old and to have provided at least 2,000 hours of behind-the-wheel instruction at another California-licensed driving school;

**Driving instructors** to be at least 21 years old;

**Traffic violator school operators** to be at least 21 years old and to have worked as a driving instructor; and

Vehicles used by a driving school for training drivers to be equipped with an **additional foot brake** on the passenger side of the front floor **and a rearview mirror on the passenger side**.

Another law expands the "**lemon law**" to include business vehicles and lowers the number of repairs from four to two times for new vehicles with safety defects.

A new law **prohibits any dealer or lienholder reacquiring a salvaged or flood-damaged vehicle from prohibiting the buyer from disclosing those problems** either as a condition of the

dealer's reacquisition or as part of any separate agreement. It makes null and void any such confidentiality or "gag" clause that a dealer or lienholder might otherwise require of a buyer.

A law regarding **financial responsibility** expands the list of documents that the department may accept as proof of financial responsibility when registering a vehicle. This law allows insurance companies to use their own forms when approved by the department. The law also allows nonprofit, tax-exempt, charitable organizations to be financially responsible through a charitable risk pool. In addition, the law requires dealers to provide a notice to the buyer that insurance sold at the time of purchase may not meet liability insurance requirements and may not allow the buyer to legally drive in California.

Another new law increases **penalties imposed on tow truck operators and repair shops who establish, via some form of "kickback" or other payment, a mutually exclusive arrangement** whereby they both financially benefit by taking charge of a motorist's disabled vehicle. The first conviction, which was already a misdemeanor, is now punishable by up to a \$5,000 fine, carries with it the six-month jail sentence, which was already in place, and suspension at the court's discretion of the offender's driving privilege for four months.

The tow truck could be impounded for up to 15 days. Also, the law makes a second or subsequent conviction punishable by a maximum \$10,000 fine, a maximum one-year jail sentence, and suspension at the court's discretion of the offender's driving privilege for one year. The truck could be impounded for 15 to 30 days.

A law regarding **dealer advertising** requires vehicle dealers to include in a newspaper

advertisement of a vehicle for sale that certain charges (such as use tax and registration fees) will be added to the advertised total price. This also applies to advertisements in magazines, direct mail publications, circulars, handbills, and advertisements on any screen of a lessor-retailer's or dealer's Internet website that displays the price of a vehicle offered for sale.

A new law affecting the **Employee Pull Notice Program** allows all employers enrolled to obtain driving records of their drivers every 12 months instead of every six months.

The California Highway Patrol is required by a new law to **compile traffic collision data on vehicle combinations**. These include any motor vehicle over 4,000 pounds unladen that tows a recreational boat trailer, resulting in a gross combination weight rating of 26,000 pounds or less.

A new law affects **household goods carriers** transporting used office, store, or institution furniture and fixtures. They are added to the list where the CHP may recommend suspension or revocation of their operating license to the Public Utilities Commission. Violations include when carriers have failed to maintain their vehicles in a safe operating condition; have failed to comply with regulations relative to motor carrier safety; or have failed to enroll their drivers in a required pull-notice system.

A new law raises the minimum number of **special interest license plate** sales from 5,000 to 7,500 to qualify for issuance. It also discontinues plates if fewer than 7,500 are in use in a one-year period.

Three new special interest license plates were approved.

A **Breast Cancer Treatment** plate would raise money to be used by the Department of Health Services

*See laws, back page*



State of California  
Governor Gray Davis

Business, Transportation and  
Housing Agency  
Secretary Maria Contreras-Sweet

Department of Motor Vehicles  
Director Steven Gourley

Publishing & Online Information  
Branch  
Chief Susan McBride

Editor Elaine Jennings  
Graphic Artist Mike Hazlip

© DMV 2001  
Contents may be republished, whole or in  
part, with attribution.

Help us conserve: Please FAX your most  
recent mail label with any additions,  
corrections, or deletions to:

(916) 657-6574 -- Attn: Label Systems Tech

# Perspective: Safety of California Motorists

*Comments by Secretary Maria Contreras-Sweet  
Business, Transportation and Housing Agency*



I am extremely grateful to the dedicated men and women of our Agency for their professional contribution to the safety of California's motorists. The departments within the Business, Transportation and Housing Agency comprise the Governor's principal transportation regulatory and enforcement organizations. By combining their resources we are making driving safer, as evidenced by the fact that the number of fatalities per miles traveled is now the lowest in the state's history.

As Secretary for Transportation, I am committed to having the best

traffic safety programs possible, including anti-DUI, bicycle and pedestrian safety, occupant protection, police traffic services, roadway safety and emergency medical services. These programs and so many others are helping California achieve its traffic safety successes, such as having the highest seat belt compliance rate in the nation.

I have a charge from Governor Gray Davis to improve safety on California's roadways. That means relieving traffic congestion, thus affording people more quality time for work and family life. We all enjoy getting home quickly and safely after a hard day's work.

One of our shared goals is to alleviate traffic congestion by

stopping unsafe driving behaviors that contribute to accidents. Through funding for more law enforcement personnel and equipment, emergency response vehicles and public education, we will make our roads even safer. We are also excited about the new partnerships being established with community-based organizations in California. This innovation will expand our outreach enormously. The Governor recently awarded a \$11.8 million dollars to local community-based organizations to promote traffic safety programs.

Traffic safety is everyone's business. Governor Davis and I look forward to working with all of you to improve the quality of life for all Californians.

## Commercial: Declaration forms being mailed

### *Continued from page one*

receive a PTI identification card. Newly-registered trailers will be issued a PTI plate and identification card for original registrations on or after December 31, 2001. The PTI is renewable every five years.

DMV will send declaration forms starting in May and continuing through June to registered owners of about 670,000 commercial motor vehicles with an unladen weight of more than 6,000 pounds. Owners must complete the form and declare the Gross Vehicle Weight or Combined Gross Vehicle Weight at which they will be operating the vehicle with its heaviest load on or after December 31, 2001.

The Gross Vehicle Weight (GVW) equals the total unladen weight of the vehicle plus the heaviest load that will be transported on the vehicle. The Combined Gross Vehicle Weight (CGW) is the total of the unladen weight of the combination of vehicles

plus the heaviest load that will be transported by that combination of vehicles.

Owners are asked to return the form to DMV, with the certification portion signed and dated, within 30 days of receiving it.

If owners do not receive a declaration form within 60 days of the vehicle registration date, and the vehicle's GVW/CGW is 10,001 pounds

or over, they may obtain the form to declare the correct operating weight from DMV's website at

***www.dmv.ca.gov*** or by requesting one from their local field office.

Owners failing to respond to the declaration form will be assessed CVRA fees at the highest CGW (80,000 pounds, which equals \$1,700) in addition to their other registration renewal fees.

## Motorists to receive 67.5 percent Vehicle License Fee reduction

Governor Gray Davis signed emergency legislation April 19 to provide motorists with a full 67.5 percent Vehicle License Fee (VLF) offset on their billing notice.

This law will end the issuance of the 32.5 percent VLF rebate check and the separate 35 percent VLF offset.

The new law eliminates the VLF

rebate for motorists whose vehicles have an expiration date of July 1, 2001, or later.

Current law imposes a VLF on motor vehicles registered in California. The VLF is based on the value and declines as the vehicle ages. Proceeds from the VLF are constitutionally allocated to local

***See VLF, back page***

## Two offices conduct unlicensed dealer pilot

A pilot project to identify potential unlicensed dealer activity regarding dealers licensed in other states or countries is being conducted at the San Ysidro Field Office and the Spring Valley Industry Service Center.

Dealers from out of state have been purchasing vehicles at California

auto auctions and reselling them in California.

This has caused an unfair competition for California dealers, in addition to possible equipment and consumer safety issues.

The San Ysidro Field Office and the Spring Valley Industry Service Center

are participating in this pilot project in conjunction with the department's Investigations and Audits Division, Registration Operations Division, the Occupational Licensing Branch of the Licensing Operations Division, and the Board of Equalization.

## New driver license/ID card to debut

As California continues its fight to stay one step ahead of fraud, DMV is scheduled to release a new driver license and identification card with enhanced security features in late spring.

Three major security enhancements have been added. These features will make the driver license and ID card increasingly more difficult to forge, simulate, or counterfeit.

The enhancements will not change DMV's application process nor increase the fee for the card.

All driver license and ID cards issued prior to the issuance of the new card will remain valid until the expiration date shown on the card.

No changes have been made to the magnetic stripe.

DMV began issuing the current driver license/ID card in July 1999.

## Laws: New plates

*Continued from page 2*  
to award grants to fund breast cancer treatment for uninsured or underinsured low-income persons.

The **Rotary International** plate would raise funds for educational, international outreach, community service, and humanitarian purposes.

**Girl Scout** plate sales would benefit the organization's programs, such as outreach efforts in underserved areas.

To view the plates and read excerpts by their sponsoring organizations, go to [www.dmv.ca.gov](http://www.dmv.ca.gov) and select "Personalized Plates" from the homepage menu.

## VLF: Reduction

*Continued from page 3*  
government. Legislation enacted in 1998 reduced the VLF by 25 percent. Legislation enacted in 1999 increased the offset to 35 percent.

Last year, as a result of the state's economic prosperity, legislation was enacted that reduced the VLF an additional 32.5 percent and provided that this additional reduction be returned to motorists in the form of rebate checks.

The first VLF rebate checks were mailed by the State Controller's Office on January 25 to vehicle owners who paid registration renewal fees due for 2001.

DMV will mail registration renewal bills with the total reduction for vehicles with registrations due on or after July 1. Renewals due prior to July 1 will still receive a rebate check.



Department of Motor Vehicles  
Publishing & Online Information Branch  
MS C266  
2415 First Avenue  
Sacramento, CA 95818

